

REFERENCE TITLE: **distilled spirits; direct shipment license**

State of Arizona
House of Representatives
Fifty-fifth Legislature
First Regular Session
2021

HB 2688

Introduced by
Representative Biasiucci

AN ACT

AMENDING SECTIONS 4-203.04 AND 4-244, ARIZONA REVISED STATUTES; RELATING TO LIQUOR LICENSING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 4-203.04, Arizona Revised Statutes, is amended
3 to read:

4 4-203.04. Direct shipment license; issuance; fee;
5 requirements; renewal; civil penalties;
6 limitations; duties; violation; classification;
7 applicability

8 A. The director may issue a direct shipment license to any winery
9 OR DISTILLERY that holds a CURRENT federal basic permit issued by the
10 United States alcohol and tobacco tax and trade bureau and a current
11 license to produce wine OR DISTILLED SPIRITS issued by this state or any
12 other state. A farm winery licensed pursuant to section 4-205.04 OR A
13 CRAFT DISTILLER LICENSED PURSUANT TO SECTION 4-205.10 and a winery OR
14 DISTILLERY holding a producer's license or a limited producer's license
15 issued by this state may also hold a direct shipment license. THE
16 DIRECTOR MAY ALSO ISSUE A DIRECT SHIPMENT LICENSE TO THE HOLDER OF A
17 CURRENT FEDERAL BASIC PERMIT TO IMPORT ISSUED BY THE UNITED STATES ALCOHOL
18 AND TOBACCO TAX AND TRADE BUREAU AND A CURRENT LICENSE TO IMPORT WINE OR
19 DISTILLED SPIRITS ISSUED BY THIS STATE OR ANY OTHER STATE.

20 B. A person shall apply for a direct shipment license on a form
21 prescribed and provided by the director. The director may charge an
22 application issuance fee to be used for administrative costs associated
23 with the direct shipment license. An application for a direct shipment
24 license shall include:

25 1. The address of the premises where the applicant's principal
26 place of business is located.

27 2. The name, address and telephone number of an officer of the
28 applicant or an individual who is authorized to represent the applicant
29 before the director.

30 3. A complete and full disclosure by the applicant and by any
31 officer, director, administrator or controlling person of the applicant of
32 any criminal convictions in any state or foreign jurisdiction within the
33 five years immediately preceding the application.

34 4. The applicant's farm winery license, producer's license ~~OR~~
35 limited producer's license, OR IMPORTER'S LICENSE number or, for a winery
36 OR DISTILLERY that is not currently licensed by this state, a copy of the
37 winery's OR DISTILLERY'S CURRENT federal basic permit issued by the United
38 States alcohol and tobacco tax and trade bureau and a copy of that
39 winery's OR DISTILLERY'S current license to produce wine OR DISTILLED
40 SPIRITS that is issued by another state OR, FOR AN IMPORTER THAT IS NOT
41 CURRENTLY LICENSED BY THIS STATE, A COPY OF ITS CURRENT LICENSE TO IMPORT
42 WINE OR DISTILLED SPIRITS THAT IS ISSUED BY ANOTHER STATE.

43 5. The applicant's transaction privilege tax number issued by the
44 department of revenue for the payment of transaction privilege taxes and

1 luxury taxes on wine OR DISTILLED SPIRITS that ~~is~~ ARE sold to purchasers
2 in this state under the license.

3 C. The director may refuse to issue a direct shipment license for
4 good cause. The director may not issue a direct shipment license to any
5 person who:

6 1. Has had a direct shipment license or any other license to deal
7 in spirituous liquor revoked in this state or any other state within one
8 year preceding the application.

9 2. Has been convicted of a felony in this state or any other state
10 or has been convicted of an offense in another state that would be a
11 felony if convicted in this state within five years immediately preceding
12 the application.

13 D. A direct shipment license is valid for one year. Direct
14 shipment licenses may not be transferred. A person that holds a direct
15 shipment license may apply for a renewal before the expiration of the
16 person's current license. The director may charge a license renewal fee
17 to be used for administrative costs associated with the direct shipment
18 license, auditing and enforcement.

19 E. After notice and a hearing pursuant to title 41, chapter 6,
20 article 10, the director may suspend, revoke or refuse to renew a direct
21 shipment license for any violation of this section or for good cause. Any
22 act or omission of a person who makes a sale or delivery of wine OR
23 DISTILLED SPIRITS for a licensee under subsection F of this section is
24 deemed to be an act or omission of the licensee for the purposes of
25 section 4-210, subsection A, paragraph 9. In lieu of suspension,
26 revocation or refusal to renew a license, the director may impose a civil
27 penalty pursuant to section 4-210.01 against a licensee for each violation
28 of this section. The licensee may appeal the finding or decision of the
29 director to the board. The board may affirm, modify or reverse the
30 finding or decision of the director.

31 F. Notwithstanding any other law, a licensee annually may sell and
32 ship ~~nine-liter cases of~~ wine OR DISTILLED SPIRITS that ~~is~~ ARE produced by
33 the licensee directly to a purchaser in this state pursuant to all of the
34 following:

35 1. IN ANY CALENDAR YEAR, The licensee may sell and ship:

36 ~~(a) Until December 31, 2017, up to six nine-liter cases of wine.~~

37 ~~(b) Beginning January 1, 2018 and until December 31, 2018, up to~~
38 ~~nine nine-liter cases of wine.~~

39 ~~(c) Beginning January 1, 2019 and for each year thereafter,~~ up to
40 twelve nine-liter cases OR AN EQUIVALENT AMOUNT of wine OR UP TO FOUR
41 NINE-LITER CASES OR AN EQUIVALENT AMOUNT OF DISTILLED SPIRITS.

42 2. The wine OR DISTILLED SPIRITS may be ordered by any means,
43 including telephone, mail, fax or the internet.

44 3. The wine OR DISTILLED SPIRITS ~~is~~ ARE for personal use only and
45 not for resale.

1 4. Before shipping the wine OR DISTILLED SPIRITS, the licensee
2 shall verify the age of the purchaser who is placing the order by
3 obtaining a copy of the purchaser's valid photo identification as
4 prescribed in section 4-241, subsection K demonstrating that the person is
5 at least twenty-one years of age or by using an age verification service.

6 5. The wine OR DISTILLED SPIRITS may be shipped to a residential or
7 business address but not to a premises licensed pursuant to this title.

8 6. All containers of wine OR DISTILLED SPIRITS shipped pursuant to
9 this subsection shall be conspicuously labeled with the words "contains
10 alcohol, signature of person age 21 or older required for delivery".

11 7. The licensee may not sell or ship wine OR DISTILLED SPIRITS to a
12 purchaser pursuant to this subsection unless the purchaser could have
13 carried the wine OR DISTILLED SPIRITS lawfully into or within this state.

14 8. The delivery must be made by a person who is at least twenty-one
15 years of age.

16 9. The delivery must be made only during the hours of lawful
17 service of spirituous liquor to a person who is at least twenty-one years
18 of age.

19 10. The delivery must be made only after inspection of the valid
20 photo identification as prescribed in section 4-241, subsection K of the
21 person accepting delivery that demonstrates that the person is at least
22 twenty-one years of age.

23 11. Payment for the price of the wine OR DISTILLED SPIRITS must be
24 collected by the licensee not later than at the time of delivery.

25 G. A licensee shall:

26 1. Not later than January 31 of each year, file a report regarding
27 the wine OR DISTILLED SPIRITS shipped to purchasers in this state during
28 the preceding calendar year that includes the information required in
29 paragraph 2 of this subsection.

30 2. Complete a record of each shipment at the time of shipment. The
31 licensee shall ensure that the record provides the following information:

32 (a) The name of the licensee making the shipment.

33 (b) The address of the licensee making the shipment.

34 (c) The license number.

35 (d) The date of shipment.

36 (e) The address at which delivery is to be made.

37 (f) The amount OF WINE OR DISTILLED SPIRITS shipped.

38 3. On request, allow the director or the department of revenue to
39 perform an audit of the records of wine OR DISTILLED SPIRITS shipped to
40 purchasers in this state. The director may request the licensee submit
41 records to demonstrate compliance with this section. The licensee shall
42 maintain records of each shipment of wine OR DISTILLED SPIRITS made to
43 purchasers in this state for two years.

1 4. Be deemed to have consented to the jurisdiction of the
2 department, any other agency of this state, the courts of this state and
3 all related laws, rules or regulations.

4 5. Pay the department of revenue all transaction privilege taxes
5 and luxury taxes on sales of wine OR DISTILLED SPIRITS under the direct
6 shipment license to purchasers in this state. For transaction privilege
7 tax and luxury tax purposes, all wine OR DISTILLED SPIRITS sold pursuant
8 to this section shall be deemed to be sold in this state.

9 6. Ship not more than the MAXIMUM QUANTITY total number of
10 nine-liter cases of wine OR DISTILLED SPIRITS authorized under subsection
11 F, paragraph 1 of this section to any purchaser in this state in any
12 calendar year for personal use.

13 H. A person who knowingly sells and ships wine OR DISTILLED SPIRITS
14 directly to a purchaser in this state shall be deemed to have consented to
15 the jurisdiction of the department, any other agency of this state, the
16 courts of this state and all related laws, rules or regulations. A person
17 who knowingly sells and ships wine OR DISTILLED SPIRITS directly to a
18 purchaser in this state is guilty of a class 2 misdemeanor if either:

19 1. The person does not possess a current direct shipment license.

20 2. The person does not possess a current farm winery license for a
21 winery that produces twenty thousand gallons or less of wine in the
22 previous calendar year.

23 I. Section 4-201 does not apply to licenses issued pursuant to this
24 section.

25 J. Common carriers, other than railroads as defined in section
26 40-201, that transport wine OR DISTILLED SPIRITS into and within this
27 state shall:

28 1. Keep records of wine OR DISTILLED SPIRITS shipped to purchasers
29 in this state, including the direct shipment licensee's name and address,
30 the recipient's name and address, the shipment and delivery dates and the
31 weight of wine OR DISTILLED SPIRITS shipped.

32 2. Remit the records kept pursuant to paragraph 1 of this
33 subsection on request of the department.

34 K. Farm winery licensees under section 4-205.04 that produced
35 twenty thousand gallons of wine or less in the preceding calendar year AND
36 CRAFT DISTILLER LICENSEES UNDER SECTION 4-205.10 THAT PRODUCED TWENTY
37 THOUSAND GALLONS OF DISTILLED SPIRITS OR LESS IN THE PRECEDING CALENDAR
38 YEAR may ship wine OR DISTILLED SPIRITS directly to purchasers in this
39 state pursuant to ~~section~~ SECTIONS 4-205.04 AND 4-205.10 and are exempt
40 from the requirements of this section, including the case limitations
41 prescribed in subsection F of this section.

42 ~~L. The director shall begin issuing direct shipment licenses~~
43 ~~pursuant to this section not later than January 1, 2017.~~

1 Sec. 2. Section 4-244, Arizona Revised Statutes, is amended to
2 read:

3 4-244. Unlawful acts

4 It is unlawful:

5 1. For a person to buy for resale, sell or deal in spirituous
6 liquors in this state without first having procured a license duly issued
7 by the board, except that the director may issue a temporary permit of any
8 series pursuant to section 4-205.05 to a trustee in bankruptcy to acquire
9 and dispose of the spirituous liquor of a debtor.

10 2. For a person to sell or deal in alcohol for beverage purposes
11 without first complying with this title.

12 3. For a distiller, vintner, brewer or wholesaler knowingly to
13 sell, dispose of or give spirituous liquor to any person other than a
14 licensee except in sampling wares as may be necessary in the ordinary
15 course of business, except in donating spirituous liquor to a nonprofit
16 organization that has obtained a special event license for the purpose of
17 charitable ~~fund-raising~~ FUNDRAISING activities or except in donating
18 spirituous liquor with a cost to the distiller, brewer or wholesaler of up
19 to \$500 in a calendar year to an organization that is exempt from federal
20 income taxes under section 501(c) (3), (4), (6) or (7) of the internal
21 revenue code and not licensed under this title.

22 4. For a distiller, vintner or brewer to require a wholesaler to
23 offer or grant a discount to a retailer, unless the discount has also been
24 offered and granted to the wholesaler by the distiller, vintner or brewer.

25 5. For a distiller, vintner or brewer to use a vehicle for trucking
26 or transportation of spirituous liquors unless there is affixed to both
27 sides of the vehicle a sign showing the name and address of the licensee
28 and the type and number of the person's license in letters not less than
29 three and one-half inches in height.

30 6. For a person to take or solicit orders for spirituous liquors
31 unless the person is a salesman or solicitor of a licensed wholesaler, a
32 salesman or solicitor of a distiller, brewer, vintner, importer or broker
33 or a registered retail agent.

34 7. For any retail licensee to purchase spirituous liquors from any
35 person other than a solicitor or salesman of a wholesaler licensed in this
36 state.

37 8. For a retailer to acquire an interest in property owned,
38 occupied or used by a wholesaler in the wholesaler's business, or in a
39 license with respect to the premises of the wholesaler.

40 9. Except as provided in paragraphs 10 and 11 of this section, for
41 a licensee or other person to sell, furnish, dispose of or give, or cause
42 to be sold, furnished, disposed of or given, to a person under the legal
43 drinking age or for a person under the legal drinking age to buy, receive,
44 have in the person's possession or consume spirituous liquor. This
45 paragraph does not prohibit the employment by an off-sale retailer of

1 persons who are at least sixteen years of age to check out, if supervised
2 by a person on the premises who is at least eighteen years of age, package
3 or carry merchandise, including spirituous liquor, in unbroken packages,
4 for the convenience of the customer of the employer, if the employer sells
5 primarily merchandise other than spirituous liquor.

6 10. For a licensee to employ a person under eighteen years of age
7 to manufacture, sell or dispose of spirituous liquors. This paragraph
8 does not prohibit the employment by an off-sale retailer of persons who
9 are at least sixteen years of age to check out, if supervised by a person
10 on the premises who is at least eighteen years of age, package or carry
11 merchandise, including spirituous liquor, in unbroken packages, for the
12 convenience of the customer of the employer, if the employer sells
13 primarily merchandise other than spirituous liquor.

14 11. For an on-sale retailer to employ a person under eighteen years
15 of age in any capacity connected with the handling of spirituous liquors.
16 This paragraph does not prohibit the employment by an on-sale retailer of
17 a person under eighteen years of age who cleans up the tables on the
18 premises for reuse, removes dirty dishes, keeps a ready supply of needed
19 items and helps clean up the premises.

20 12. For a licensee, when engaged in waiting on or serving
21 customers, to consume spirituous liquor or for a licensee or on-duty
22 employee to be on or about the licensed premises while in an intoxicated
23 or disorderly condition.

24 13. For an employee of a retail licensee, during that employee's
25 working hours or in connection with such employment, to give to or
26 purchase for any other person, accept a gift of, purchase for the employee
27 or consume spirituous liquor, except that:

28 (a) An employee of a licensee, during that employee's working hours
29 or in connection with the employment, while the employee is not engaged in
30 waiting on or serving customers, may give spirituous liquor to or purchase
31 spirituous liquor for any other person.

32 (b) An employee of an on-sale retail licensee, during that
33 employee's working hours or in connection with the employment, while the
34 employee is not engaged in waiting on or serving customers, may taste
35 samples of beer or wine of not more than four ounces per day or distilled
36 spirits of not more than two ounces per day provided by an employee of a
37 wholesaler or distributor who is present at the time of the sampling.

38 (c) An employee of an on-sale retail licensee, under the
39 supervision of a manager as part of the employee's training and education,
40 while not engaged in waiting on or serving customers may taste samples of
41 distilled spirits of not more than two ounces per educational session or
42 beer or wine of not more than four ounces per educational session, and
43 provided that a licensee does not have more than two educational sessions
44 in any thirty-day period.

1 (d) An unpaid volunteer who is a bona fide member of a club and who
2 is not engaged in waiting on or serving spirituous liquor to customers may
3 purchase for himself and consume spirituous liquor while participating in
4 a scheduled event at the club. An unpaid participant in a food
5 competition may purchase for himself and consume spirituous liquor while
6 participating in the food competition.

7 (e) An unpaid volunteer of a special event licensee under section
8 4-203.02 may purchase and consume spirituous liquor while not engaged in
9 waiting on or serving spirituous liquor to customers at the special event.
10 This subdivision does not apply to an unpaid volunteer whose
11 responsibilities include verification of a person's legal drinking age,
12 security or the operation of any vehicle or heavy machinery.

13 14. For a licensee or other person to serve, sell or furnish
14 spirituous liquor to a disorderly or obviously intoxicated person, or for
15 a licensee or employee of the licensee to allow ~~or permit~~ a disorderly or
16 obviously intoxicated person to come into or remain on or about the
17 premises, except that a licensee or an employee of the licensee may allow
18 an obviously intoxicated person to remain on the premises for not more
19 than thirty minutes after the state of obvious intoxication is known or
20 should be known to the licensee for a nonintoxicated person to transport
21 the obviously intoxicated person from the premises. For the purposes of
22 this section, "obviously intoxicated" means inebriated to the extent that
23 a person's physical faculties are substantially impaired and the
24 impairment is shown by significantly uncoordinated physical action or
25 significant physical dysfunction that would have been obvious to a
26 reasonable person.

27 15. For an on-sale or off-sale retailer or an employee of such
28 retailer to sell, dispose of, deliver or give spirituous liquor to a
29 person between the hours of 2:00 a.m. and 6:00 a.m., except that a
30 retailer with off-sale privileges may receive and process orders, accept
31 payment or package, load or otherwise prepare spirituous liquor for
32 delivery at any time, if the actual deliveries to customers are made
33 between the hours of 6:00 a.m. and 2:00 a.m., at which time section 4-241,
34 subsections A and K apply.

35 16. For a licensee or employee to knowingly ~~permit~~ ALLOW any person
36 on or about the licensed premises to give or furnish any spirituous liquor
37 to any person under twenty-one years of age or knowingly ~~permit~~ ALLOW any
38 person under twenty-one years of age to have in the person's possession
39 spirituous liquor on the licensed premises.

40 17. For an on-sale retailer or an employee of such retailer to
41 allow a person to consume or possess spirituous liquors on the premises
42 between the hours of 2:30 a.m. and 6:00 a.m.

43 18. For an on-sale retailer to ~~permit~~ ALLOW an employee or for an
44 employee to solicit or encourage others, directly or indirectly, to buy
45 the employee drinks or anything of value in the licensed premises during

1 the employee's working hours. An on-sale retailer shall not serve
2 employees or allow a patron of the establishment to give spirituous liquor
3 to, purchase liquor for or drink liquor with any employee during the
4 employee's working hours.

5 19. For an off-sale retailer or employee to sell spirituous liquor
6 except in the original unbroken container, to ~~permit~~ ALLOW spirituous
7 liquor to be consumed on the premises or to knowingly ~~permit~~ ALLOW
8 spirituous liquor to be consumed on adjacent property under the licensee's
9 exclusive control.

10 20. For a person to consume spirituous liquor in a public place,
11 thoroughfare or gathering. The license of a licensee ~~permitting~~ THAT
12 ALLOWS a violation of this paragraph on the premises shall be subject to
13 revocation. This paragraph does not apply to the sale of spirituous
14 liquors on the premises of and by an on-sale retailer. This paragraph
15 also does not apply to a person consuming beer or wine from a broken
16 package in a public recreation area or on private property with permission
17 of the owner or lessor or on the walkways surrounding such private
18 property or to a person consuming beer or wine from a broken package in a
19 public recreation area as part of a special event or festival that is
20 conducted under a license secured pursuant to section 4-203.02 or
21 4-203.03.

22 21. For a person to have possession of or to transport spirituous
23 liquor that is manufactured in a distillery, winery, brewery or rectifying
24 plant contrary to the laws of the United States and this state. Any
25 property used in transporting such spirituous liquor shall be forfeited to
26 the state and shall be seized and disposed of as provided in section
27 4-221.

28 22. For an on-sale retailer or employee to allow a person under the
29 legal drinking age to remain in an area on the licensed premises during
30 those hours in which its primary use is the sale, dispensing or
31 consumption of alcoholic beverages after the licensee, or the licensee's
32 employees, know or should have known that the person is under the legal
33 drinking age. An on-sale retailer may designate an area of the licensed
34 premises as an area in which spirituous liquor will not be sold or
35 consumed for the purpose of allowing underage persons on the premises if
36 the designated area is separated by a physical barrier and at no time will
37 underage persons have access to the area in which spirituous liquor is
38 sold or consumed. A licensee or an employee of a licensee may require a
39 person who intends to enter a licensed premises or a portion of a licensed
40 premises where persons under the legal drinking age are prohibited under
41 this section to exhibit an instrument of identification that is acceptable
42 under section 4-241 as a condition of entry or may use a biometric
43 identity verification device to determine the person's age as a condition
44 of entry. The director, or a municipality, may adopt rules to regulate
45 the presence of underage persons on licensed premises provided the rules

1 adopted by a municipality are more stringent than those adopted by the
2 director. The rules adopted by the municipality shall be adopted by local
3 ordinance and shall not interfere with the licensee's ability to comply
4 with this paragraph. This paragraph does not apply:

5 (a) If the person under the legal drinking age is accompanied by a
6 spouse, parent or legal guardian of legal drinking age or is an on-duty
7 employee of the licensee.

8 (b) If the owner, lessee or occupant of the premises is a club as
9 defined in section 4-101, paragraph 8, subdivision (a) and the person
10 under the legal drinking age is any of the following:

11 (i) An active duty military service member.

12 (ii) A veteran.

13 (iii) A member of the United States army national guard or the
14 United States air national guard.

15 (iv) A member of the United States military reserve forces.

16 (c) To the area of the premises used primarily for the serving of
17 food during the hours when food is served.

18 23. For an on-sale retailer or employee to conduct drinking
19 contests, to sell or deliver to a person an unlimited number of spirituous
20 liquor beverages during any set period of time for a fixed price, to
21 deliver more than fifty ounces of beer, one liter of wine or four ounces
22 of distilled spirits in any spirituous liquor drink to one person at one
23 time for that person's consumption or to advertise any practice prohibited
24 by this paragraph. The provisions of this paragraph do not prohibit an
25 on-sale retailer or employee from selling and delivering an opened,
26 original container of distilled spirits if:

27 (a) Service or pouring of the spirituous liquor is provided by an
28 employee of the on-sale retailer.

29 (b) The employee of the on-sale retailer monitors consumption to
30 ensure compliance with this paragraph. Locking devices may be used, but
31 are not required.

32 24. For a licensee or employee to knowingly ~~permit~~ ALLOW the
33 unlawful possession, use, sale or offer for sale of narcotics, dangerous
34 drugs or marijuana on the premises. For the purposes of this paragraph,
35 "dangerous drug" has the same meaning prescribed in section 13-3401.

36 25. For a licensee or employee to knowingly ~~permit~~ ALLOW
37 prostitution or the solicitation of prostitution on the premises.

38 26. For a licensee or employee to knowingly ~~permit~~ ALLOW unlawful
39 gambling on the premises.

40 27. For a licensee or employee to knowingly ~~permit~~ ALLOW
41 trafficking or attempted trafficking in stolen property on the premises.

42 28. For a licensee or employee to fail or refuse to make the
43 premises or records available for inspection and examination as provided
44 in this title or to comply with a lawful subpoena issued under this title.

1 29. For any person other than a peace officer while on duty or off
2 duty or a member of a sheriff's volunteer posse while on duty who has
3 received firearms training that is approved by the Arizona peace officer
4 standards and training board, a retired peace officer as defined in
5 section 38-1113 or an honorably retired law enforcement officer who has
6 been issued a certificate of firearms proficiency pursuant to section
7 13-3112, subsection T, the licensee or an employee of the licensee acting
8 with the permission of the licensee to be in possession of a firearm while
9 on the licensed premises of an on-sale retailer. This paragraph does not
10 include a situation in which a person is on licensed premises for a
11 limited time in order to seek emergency aid and such person does not buy,
12 receive, consume or possess spirituous liquor. This paragraph does not
13 apply to:

14 (a) Hotel or motel guest room accommodations.

15 (b) The exhibition or display of a firearm in conjunction with a
16 meeting, show, class or similar event.

17 (c) A person with a permit issued pursuant to section 13-3112 who
18 carries a concealed handgun on the licensed premises of any on-sale
19 retailer that has not posted a notice pursuant to section 4-229.

20 30. For a licensee or employee to knowingly ~~permit~~ ALLOW a person
21 in possession of a firearm other than a peace officer while on duty or off
22 duty or a member of a sheriff's volunteer posse while on duty who has
23 received firearms training that is approved by the Arizona peace officer
24 standards and training board, a retired peace officer as defined in
25 section 38-1113 or an honorably retired law enforcement officer who has
26 been issued a certificate of firearms proficiency pursuant to section
27 13-3112, subsection T, the licensee or an employee of the licensee acting
28 with the permission of the licensee to remain on the licensed premises or
29 to serve, sell or furnish spirituous liquor to a person in possession of a
30 firearm while on the licensed premises of an on-sale retailer. It is a
31 defense to action under this paragraph if the licensee or employee
32 requested assistance of a peace officer to remove such person. This
33 paragraph does not apply to:

34 (a) Hotel or motel guest room accommodations.

35 (b) The exhibition or display of a firearm in conjunction with a
36 meeting, show, class or similar event.

37 (c) A person with a permit issued pursuant to section 13-3112 who
38 carries a concealed handgun on the licensed premises of any on-sale
39 retailer that has not posted a notice pursuant to section 4-229.

40 31. For any person in possession of a firearm while on the licensed
41 premises of an on-sale retailer to consume spirituous liquor. This
42 paragraph does not prohibit the consumption of small amounts of spirituous
43 liquor by an undercover peace officer on assignment to investigate the
44 licensed establishment.

1 32. For a licensee or employee to knowingly ~~permit~~ ALLOW spirituous
2 liquor to be removed from the licensed premises, except in the original
3 unbroken package. This paragraph does not apply to any of the following:

4 (a) A person who removes a bottle of wine that has been partially
5 consumed in conjunction with a purchased meal from licensed premises if a
6 cork is inserted flush with the top of the bottle or the bottle is
7 otherwise securely closed.

8 (b) A person who is in licensed premises that have noncontiguous
9 portions that are separated by a public or private walkway or driveway and
10 who takes spirituous liquor from one portion of the licensed premises
11 across the public or private walkway or driveway directly to the other
12 portion of the licensed premises.

13 (c) A licensee of a bar, beer and wine bar, liquor store, beer and
14 wine store, microbrewery or restaurant that has a permit pursuant to
15 section 4-205.02, subsection H that dispenses beer only in a clean
16 container composed of a material approved by a national sanitation
17 organization with a maximum capacity that does not exceed one gallon and
18 not for consumption on the premises if:

19 (i) The licensee or the licensee's employee fills the container at
20 the tap at the time of sale.

21 (ii) The container is sealed and displays a government warning
22 label.

23 (iii) The dispensing of that beer is not done through a
24 drive-through or walk-up service window.

25 33. For a person who is obviously intoxicated to buy or attempt to
26 buy spirituous liquor from a licensee or employee of a licensee or to
27 consume spirituous liquor on licensed premises.

28 34. For a person under twenty-one years of age to drive or be in
29 physical control of a motor vehicle while there is any spirituous liquor
30 in the person's body.

31 35. For a person under twenty-one years of age to operate or be in
32 physical control of a motorized watercraft that is underway while there is
33 any spirituous liquor in the person's body. For the purposes of this
34 paragraph, "underway" has the same meaning prescribed in section 5-301.

35 36. For a licensee, manager, employee or controlling person to
36 purposely induce a voter, by means of alcohol, to vote or abstain from
37 voting for or against a particular candidate or issue on an election day.

38 37. For a licensee to fail to report an occurrence of an act of
39 violence to either the department or a law enforcement agency.

40 38. For a licensee to use a vending machine for the purpose of
41 dispensing spirituous liquor.

42 39. For a licensee to offer for sale a wine carrying a label
43 including a reference to Arizona or any Arizona city, town or geographic
44 location unless at least seventy-five percent by volume of the grapes used
45 in making the wine were grown in Arizona.

1 40. For a retailer to knowingly allow a customer to bring
2 spirituous liquor onto the licensed premises, except that an on-sale
3 retailer may allow a wine and food club to bring wine onto the premises
4 for consumption by the club's members and guests of the club's members in
5 conjunction with meals purchased at a meeting of the club that is
6 conducted on the premises and that at least seven members attend. An
7 on-sale retailer that allows wine and food clubs to bring wine onto its
8 premises under this paragraph shall comply with all applicable provisions
9 of this title and any rules adopted pursuant to this title to the same
10 extent as if the on-sale retailer had sold the wine to the members of the
11 club and their guests. For the purposes of this paragraph, "wine and food
12 club" means an association that has more than twenty bona fide members
13 paying at least \$6 per year in dues and that has been in existence for at
14 least one year.

15 41. For a person under twenty-one years of age to have in the
16 person's body any spirituous liquor. In a prosecution for a violation of
17 this paragraph:

18 (a) Pursuant to section 4-249, it is a defense that the spirituous
19 liquor was consumed in connection with the bona fide practice of a
20 religious belief or as an integral part of a religious exercise and in a
21 manner not dangerous to public health or safety.

22 (b) Pursuant to section 4-226, it is a defense that the spirituous
23 liquor was consumed for a bona fide medicinal purpose and in a manner not
24 dangerous to public health or safety.

25 42. For an employee of a licensee to accept any gratuity,
26 compensation, remuneration or consideration of any kind to either:

27 (a) ~~Permit~~ ALLOW a person who is under twenty-one years of age to
28 enter any portion of the premises where that person is prohibited from
29 entering pursuant to paragraph 22 of this section.

30 (b) Sell, furnish, dispose of or give spirituous liquor to a person
31 who is under twenty-one years of age.

32 43. For a person to purchase, offer for sale or use any device,
33 machine or process that mixes spirituous liquor with pure oxygen or
34 another gas to produce a vaporized product for the purpose of consumption
35 by inhalation or to allow patrons to use any item for the consumption of
36 vaporized spirituous liquor.

37 44. For a retail licensee or an employee of a retail licensee to
38 sell spirituous liquor to a person if the retail licensee or employee
39 knows the person intends to resell the spirituous liquor.

40 45. Except as authorized by paragraph 32, subdivision (c) of this
41 section, for a person to reuse a bottle or other container authorized for
42 use by the laws of the United States or any agency of the United States
43 for the packaging of distilled spirits or for a person to increase the
44 original contents or a portion of the original contents remaining in a
45 liquor bottle or other authorized container by adding any substance.

1 46. For a direct shipment licensee, a farm winery licensee or an
2 employee of those licensees to sell, dispose of, deliver or give
3 spirituous liquor to an individual purchaser between the hours of 2:00
4 a.m. and 6:00 a.m., except that a direct shipment licensee or a farm
5 winery licensee may receive and process orders, accept payment, package,
6 load or otherwise prepare wine OR DISTILLED SPIRITS for delivery at any
7 time without complying with section 4-241, subsections A and K, if the
8 actual deliveries to individual purchasers are made between the hours of
9 6:00 a.m. and 2:00 a.m. and in accordance with section 4-203.04 for direct
10 shipment licensees and section 4-205.04 for farm winery licensees.